



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 9, 1992

Mr. Glenn Mellor
Senior Geologist
Sunshine Mining Company
P. O. Box 250
Eureka, Utah 84628

Dear Mr. Mellor:

Re: Final Approval of Zuma Pit Permit Amendment, Sunshine Mining Company,
Burgin Project, M/049/009, Utah County, Utah

The Division has completed its review of your response received August 28, 1992. The supplemental information you have provided addresses all the Division's outstanding concerns raised in the initial review. This amendment is now approved by the Division and will be considered part of the approved mine plan. The Division's surety estimate for this amendment has been revised to reflect the changes suggested in your response. A copy of this estimate is enclosed.

You have indicated that Sunshine wishes to reassign a portion of the existing surety to cover reclamation costs for the Zuma amendment rather than adjusting the surety amount. The existing surety is a bond with the Aetna Casualty and Surety Company for the sum of \$737,000. Sunshine has not disturbed areas associated with the Hunter Shaft or the Tailings Ponds and has no intention of proceeding with these projects within the near future. These two areas are included in the existing surety for the amounts of \$48,100 and \$39,310, respectively.

The Division is in agreement with reassigning the portion of the existing surety allocated for the Hunter Shaft Project to the Zuma Project amendment. It should be noted that the reclamation estimate for the Zuma Project is roughly one-third of the amount estimated for the Hunter Shaft. The Zuma Project is described as approximately five (5) acres of disturbance comprised of a pit and access roads located in SE/4 NW/4 Section 21, T10S, R2W, SLBM. Since this action does not

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December 10, 1992

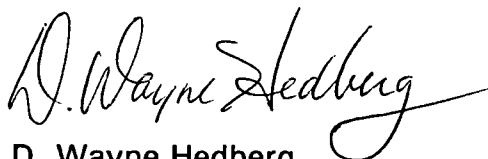
alter the amount or form of surety this matter will not need to go before the Board of Oil, Gas and Mining (Board). The Division requests a letter of acknowledgement from Sunshine Mining Company that the Hunter Shaft Project is no longer included in the existing surety, but the Zuma Project is.

We are aware that Sunshine is currently in the process of revising the mine permit and reclamation surety. The Division would like an estimate of the time frame for Sunshine's submission of the revised plan and reclamation surety. The Division will require a Reclamation Contract with the revised permit and surety. A copy of the current Reclamation Contract Form and guidelines for its completion are enclosed for your review and use.

Please be aware that all changes to the form and amount of surety must be presented before the Board at their monthly meeting. Generally, the information to be presented to the Board must be received by the Division in a final form two to three weeks prior to the Board meeting. The existing surety cannot be released until the replacement surety has been accepted by the Board.

Thank you for your time, patience and cooperation in this matter. If you have any questions please contact me or Tony Gallegos.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is fluid and extends to the right.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures
cc: Lowell Braxton, DOGM
Bond File M049009

RECLAMATION ESTIMATE

DRAFT

Sunshine Mining Company

Burgin Project - Zuma Clay Pit Amendment

Utah County

M/049/009

last revision

11/30/92

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details

-This estimate deals with the ZUMA CLAY PIT area ONLY

-All dump areas & pit floor to be regraded => 1.9 acre

-New access road to be completely regraded => EST 1.2 acre

-No mining at south highwall, bench both highwalls 0.2 acre

-Pit slopes reseeded (broadcast) 1.6 acre

-Pit floor to be regraded & ripped; will also include wildlife access

-Pit floor & dumps to be ripped & reseeded (0.5 mph)

-Drainage channel to be reestablished & armored

-Hay mulch to be used on all regraded/reseeded areas at 2,000lb/acre

-Ammonium nitrate fertilizer at 80/100 lbs per acre used on seeded areas

-Areas revegetated via drill seeding unless impractical(=>hand broadcast)

-Disturbed acreage = lower dump & pit floor (1.4) + new road (0.2?) +
upper dump(0.5) + 3 benches(0.2) + pit slopes(1.5) = 1.6 4.9 ACRES

-NOTE: Areas estimated from post mine contour map received 3-25-92

Description	Amount	\$/Unit	Cost-\$
Regrading & ripping access road	1.2 acre	733	880
Regrading dumps & pit floor	1.9 acre	488	927
Ripping dumps & pit floor	1.9 acre	495	941
Benching highwalls (3 benches)	0.2 acre	1,936	387
Reestablish natural drainage channel	0.2 acre	488	98
Placement of rip rap	230 LF-est	10	2,300
Mulching regraded areas & slopes	4.9 acre	190	931
Seeding regraded areas & slopes	4.9 acre	350	1,715
Fertilizing all reseeded areas	4.9 acre	210	1,029
Mobilization	1 sum	2,000	2,000
SUBTOTAL			11,207
+ 10% CONTINGENCY			1,121
SUBTOTAL			12,328
+ 5 yr ESCALATION(1.27%)			803
TOTAL			13,131
ROUNDED TOTAL IN 1998-\$			\$13,100
Average cost per acre = 2,673 \$/acre			